

Mail Innovations and 2014 USPS Promotions

December 12, 2013

Mailing Services
New Products & Innovation



The Value of Mail

Future of Mail: Mail and Mobile Connections

USPS Promotions

Questions







80% look at their mail daily – as a valuable news source





Mail is still highly valued

75% like to

see what's

in the mail

63% of mail is kept at least 2 days



Current youth (ages 15-35) attitudes are just as strong: 79% sort mail at the first opportunity, 72% would like to receive more personal mail and 67% scan their mail looking for important/interesting mail.

Source: USPS 2011-2012 Mail Moment Survey





Better Return On Investment

- 65% of consumers have made a purchase as a result of direct mail
- 37.5% say direct mail is best for customer retention
- 31.3% say direct mail is best for customer acquisition







Mobile Purchasing on the Rise

Changing Marketplace



PC shipments down 15% in 2013
 -- IDC, Dec 2013

Mobile Commerce on the Rise



- 1.8 billion smartphone and tablet sales predicted worldwide for 2013 --Gartner, Nov. 2013
- Mobile commerce sales increased 81% in 2012, to nearly \$25 billion and expected to reach \$42B in 2013
 --eMarketer, Sept. 2013
- Purchases using smartphones or tablets on CyberMonday nearly doubled compared to last year, with more than 1/3 of all online sales being made on mobile devices - IBM, Dec 2013



Keys for Successful Mobile on Mail

Call to Action

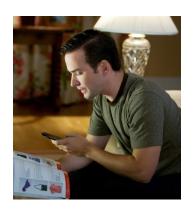
Capture

Resulting Action













Mobile-on-Mail campaigns require a call to action, mobile technology to capture the offer, and a resulting consumer action.



USPS Strategy

Embrace technology, encourage mail integration.

















Strategy

Drive long-term product value

- Relevance
- Effectiveness
- Responsiveness
- Engagement

Targets

innovationAccecelerate

Lead

- Accederate best practices
- Promote awareness and engagement

 Marketers and business customers

Consumers



Past Mail & Mobile Promotions

2011 Mobile Barcode Promotion 2012
Mobile
Commerce
and
Personalization
Promotion

2012
Holiday
Mobile
Shopping
Promotion

2013
Promotional
Calendar

July-Aug 2011

July-Aug 2012

Nov 2012

2013

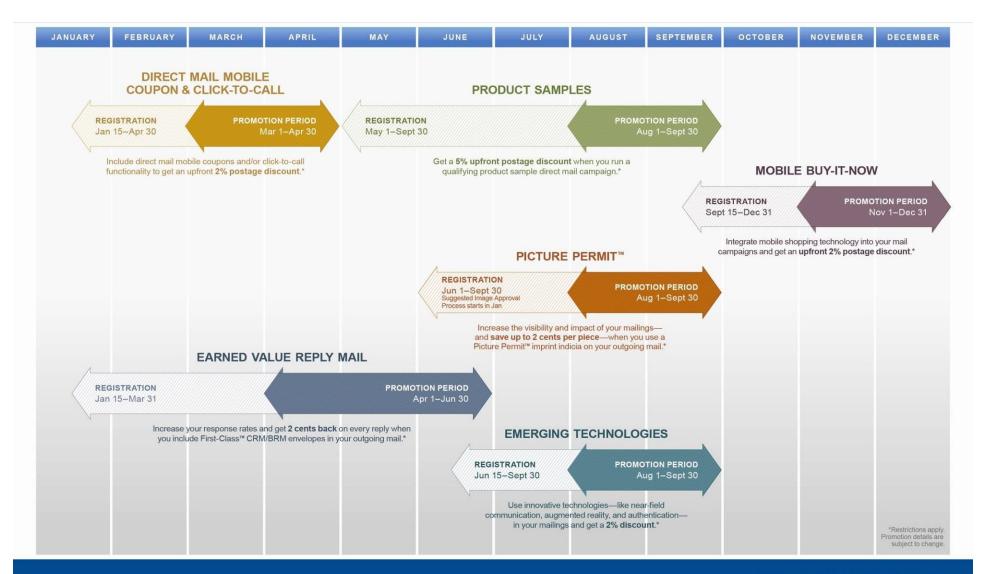
Program Learnings and Growth:

- Mailers need time to prepare
- Increasing emphasis on best practices
- Encourage different uses of mobile technology integration
- Encourage mailers to try new things





2013 Promotional Calendar





2013 Promotions Calendar



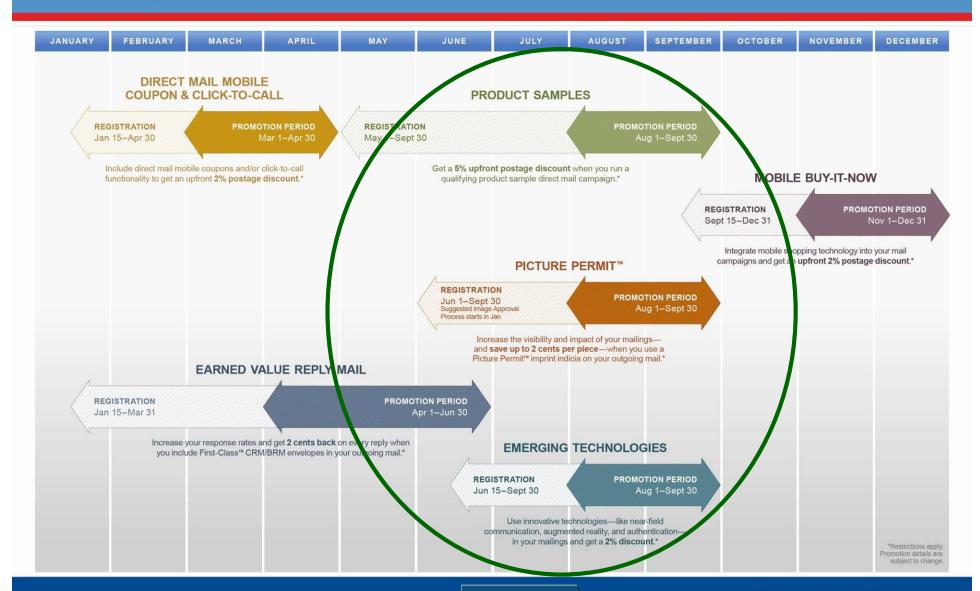


Earned Value Promotion

- Customers earned about \$10.7 million in credits
- 68% of acquired credits have been used:
 - 70% for FCM mailings
- Customer Survey Results
 - 277 responses (114 MSPs, 163 mail owners)
 - 63% had never participated in a promotion
 - 65% enrolled to reduce mailing costs
 - Approx 10% increased outgoing reply mail pieces as part of the promotion
 - One third said they would increase their mail volumes due Earned Value credit



2013 Promotions







2013 Promotions

Emerging Technologies Promotion

- August 1- September 30
 - Approximately 90 participants



- Over 1 billion mailpieces qualified for promotion
- Over \$4.5 M in discounts
- 8% of eligible Standard Mail volume received the discount
- Most participants used Augmented Reality





Product Samples Promotion

- August 1- September 30
 - 520k mailings received discount
 - Over \$500,000 in discounts
 - 14% of total marketing parcel volume received discount
 - Limited customer participation
 - Promotion timing & production time made it difficult customers to plan participation
 - eVS constraint
 - Mailers who did participate used the savings to mail more volume





2013 Promotions

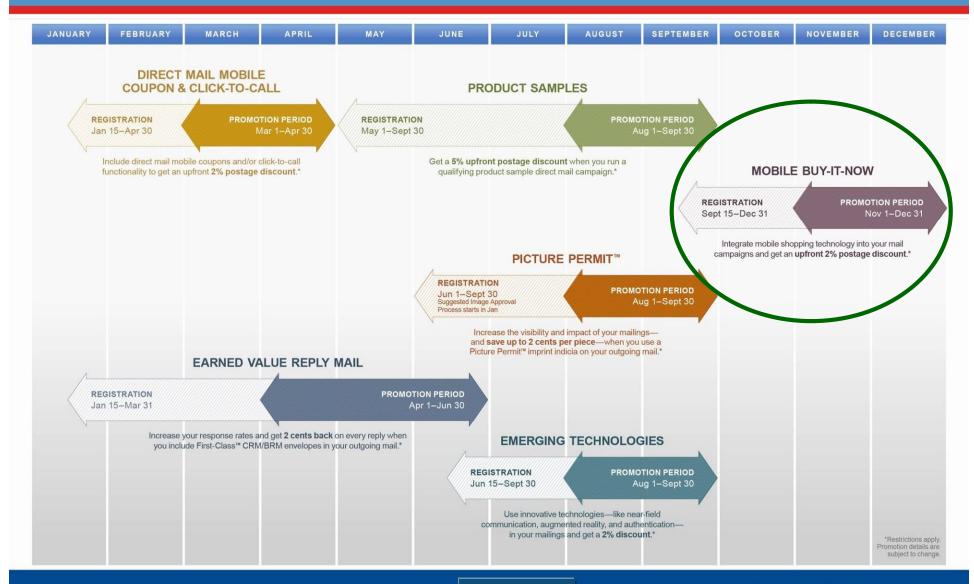
Picture Permit Promotion

- 10 mailers enrolled
- 343,461 = volume mailed
- \$4,830 = Picture Permit fees waived





2013 Promotions Calendar





Mobile Buy It Now Promotion

Participation to date (12/10)

Enrollment: 500+ mailers

Participating: 340 mailers

Volume: 1.8 billion





Mobile Buy It Now Promotion

Email: mobilebarcode@usps.gov

Web: https://ribbs.usps.gov/index.cfm?page=mobilebarcode

(Recorded webinar available)

Promotion

Registration: https://gateway.usps.com/bcg/login.htm

Promotion

Registration

Dates: September 15 – December 31, 2013

Promotion

Dates: November 1 – December 31, 2013





2014 Promotions

2014 Promotional Calendar

Mobile Technology Integration

 Build upon previous promotions and continue strategy to encourage mailers to integrate direct mail with mobile technology

Technology Drives Relevance

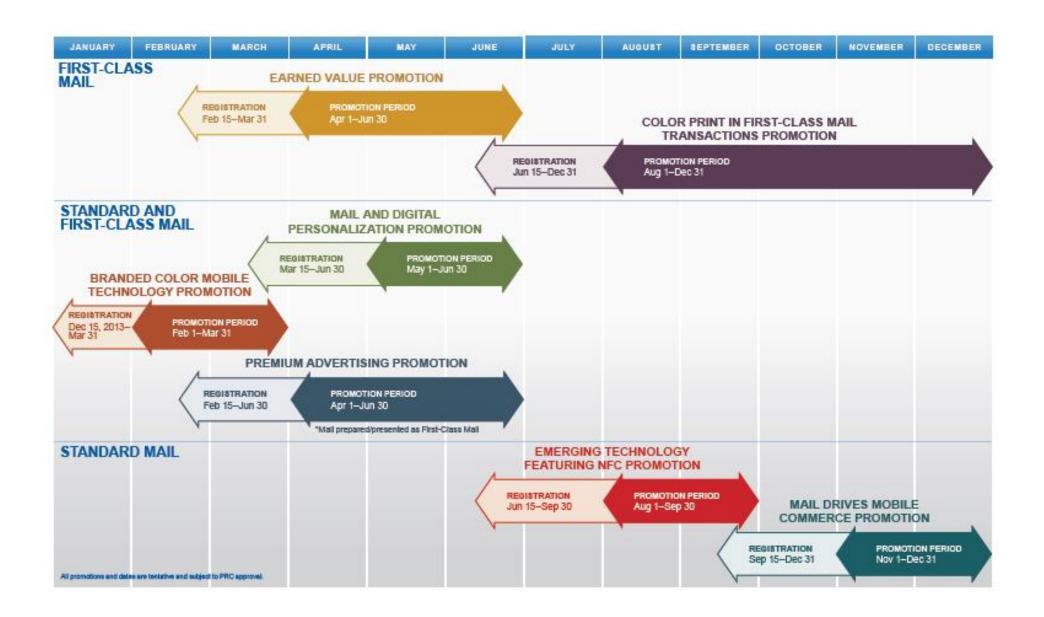
 Leverage the value of innovative direct mail techniques that are effective but less widely used

Leverage Value of First-Class Mail®

 Promotions intended to slow the declining volume trends and ensure reply mail and FCM advertising remain a relevant part of the FCM mix



2014 Promotions







Branded Color Mobile Technology

- Registration opens December 15
- Promotion Period: February March, 2014
- Eligible Mail:
 - > Standard and Nonprofit Mail letters and flats
 - First-Class Mail presort and automation letters, cards and flats
- Discount: 2% per eligible mailpiece
- Qualifying mailings must include either:
 - 1. A creative mobile barcode that incorporates **one** of the following:
 - a) two or more colors set against a background (other than black, gray or white)
 - o) a trademark or graphic and at least one color (other than black, gray or white)
 - 2. color digital image recognition technology
- Full Requirements posted on RIBBS
- External Webinar planned for January 2014



Scan here with your mobile device for more information.



Earned Value Reply Mail Promotion

Encourage USPS customers to continue to provide Business Reply Mail® (BRM) and Courtesy Reply Mail™ (CRM) as options for consumers to communicate with them.



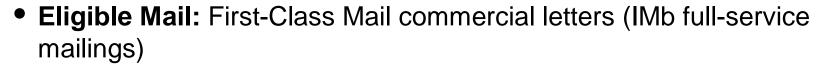
- Registration Period: February 15 March 31
- Promotion Period: April 1 June 30 (Reply pieces counted during this period)
- Credit
 - >2 cents credit per eligible, returned CRM or BRM mailpiece.
 - ➤ Participants in the 2013 Promotion whose CRM and BRM counts increase in 2014 receive 3 cents per eligible mailpiece
- Credit Receipt/Redemption
 - ➤ Credit will be applied to the mailer's Permit Imprint account



Premium Advertising Product Promotion

Promotion offers an upfront discount on First-Class Mail letters composed entirely of marketing or advertising content.

- Registration Period: Feb. 15 June 30
- Promotion Period: April 1 June 30



- **Discount:** 15% off eligible FCM postage
- Eligible Participants: Customers who mailed \$6 million or more in Standard Mail letter postage in FY 2013
 - Eligible Customers contacted by USPS by Dec 20,2013
- Postage Payment: Permit Imprint only
- Requirements now posted on RIBBS





Mail & Digital Personalization Promotion

- Both the mailpiece and PURL/website must be customized and/or personalized to qualify for this promotion.
- Registration: March 15 June 30
- Promotion Period: May 1 June 30
- Eligible Mail:
 - Standard Mail letters and flats
 - > Nonprofit Standard Mail letters and flats
 - > First-Class Mail presort and automation letters, cards and flats
- Discount: 2% per eligible mailpiece.
- Program requirements to be posted on RIBBS/usps.com in December







Mail & Digital Personalization Promotion

Mailpiece Requirements

- Must be relevant and highly personalized to the recipient, and
- Contents based on, information about the recipient such as:
 - Name Buying behavior
 - Age Preferences
 - Birthday Online behavior





Must contain PURL/print mobile technology directing recipient to website

Webpage Requirements

- Urls, or print-mobile technology must lead to a personalized landing page
- Destination webpage must provide highly personalized content
- Must have a unique url that enables the mailer the ability to track and monitor individual mail recipient response and web activity



Color Print in First-Class Mail Transactions Promotion

Encourage FCM mailers to use color messaging on bills and statements



- Program Period: August 1 December 31
- Eligible Mail: First-Class Mail commercial letters (sent in IMb full-service mailings)
- **Discount:** Upfront 2% postage discount
- Mailpiece must have <u>dynamic</u> color printing on the bill or statement
- Color messaging must be marketing or consumer information
 - > Color inserts and pre-printed color paper stock, do not qualify
 - > Color in transactional fields will not qualify

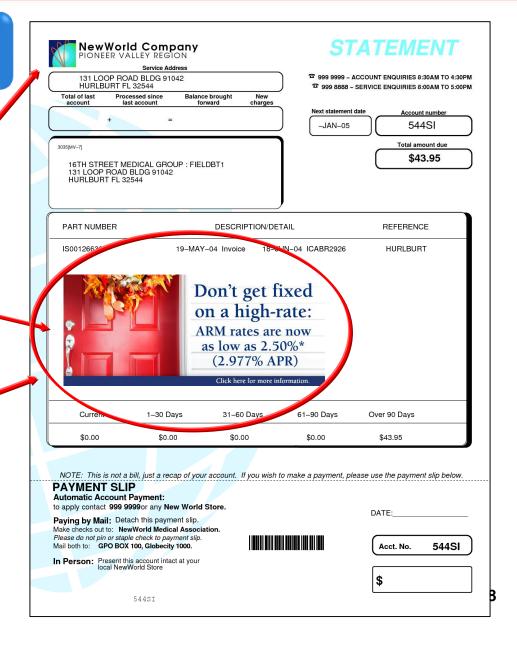


2014 Promotions

Color Print in First-Class Mail Transactions Promotion

- 1. Pre printed color paper stock does not qualify
- Color content is marketing or consumer information

3. Color messaging is dynamically printed





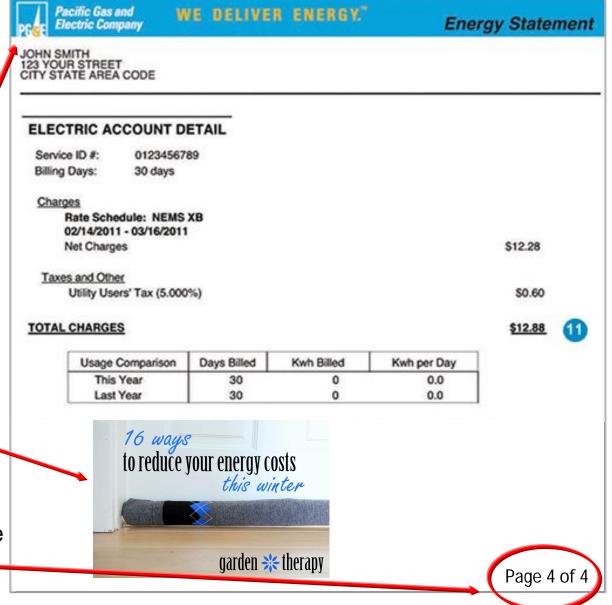
2014 Promotions

Messaging at end of statement

Includes same header or footer as other pages

Messaging within contents of the bill/dynamically printed

Must appear as part of the statement







Emerging Technologies Promotion

Encourage mailers to enhance the value of their mail utilizing Near Field Communication

Other potential technologies still being considered



- **Promotion Period:** August 1 September 30
- **Discount:** 2% per eligible mailpiece
- Eligible Mail:
 - Standard Mail letters and flats
 - Nonprofit Standard Mail letters and flats





Mail Drives Mobile Commerce Promotion

Encourage marketers and retailers to utilize state of the art mobile purchasing technology with direct mail to facilitate purchases.

Registration Period: September 15 – December 31

Promotion Period: November 1 – December 31

Eligible Mail:

Standard Mail letters and flats

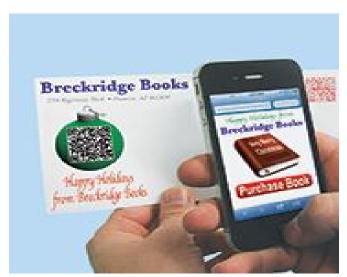
Nonprofit Standard Mail letters and flats

Discount: 2% per eligible mailpiece (Mailers who fulfill packages via Priority Mail may qualify for and additional 1% discount)

Priority Mail Fulfillment Rebate

Additional 1% Standard Mail postage rebate

Eligible mailpieces must include print/mobile technology that can be read or scanned by a mobile device and leads the recipient to a mobile-optimized shopping website.





Program Contact Information

For further information:

Email: mobilebarcode@usps.gov

PremiumAdMail@usps.gov (Premium Advertising Promotion)

earnedvalue@usps.gov (Earned Value Promotion)

Fax: 202-268-0238

Mail: US Postal Service

Attn: Promotions and Incentives

Post Office Box 23282

Washington, DC 20026-3282

Web: https://ribbs.usps.gov/index.cfm?page=mobilebarcode

https://www.usps.com/business/promotions-and-incentives.htm



2014 Saturation and High Density Incentive

2014 Saturation & High Density Incentive

Program Period: January 1 – December 31, 2014

Eligibility Requirements:

- Eligible Products: Saturation, High Density Plus, and High Density letters
 & flats paid for with a postage permit. Includes EDDM BMEU (not EDDM Retail)
- Mailers must have mailed at least 6 times in from Oct. 2012 Sept. 2013
- Volume threshold based on CY2013 volumes

Postage credit on incremental volume varies by product:

- > Regular Saturation Letters & Flats
- Regular High Density/High Density Plus Letters & Flats
- > All Non Profit Saturation, High Density & High Density Plus
- Credit applied to Permit Imprint account in Q2 of FY 2015



Timeline

- Approx. 9,200 eligible customers identified
- Invitation letters mailed on November 12
- Registration period: November 12 January 31, 2014
- Mid-January Volume Threshold Report, Certification Form and Threshold Inquiry Form sent to registrants
- March 15, 2014 signed Certification Form or Threshold Inquiry Form deadline
- December 31, 2014 Program concludes
- Q2 2015 Credit applied to Permit Imprint account



Program Contact Information

For further information:

Email: SatHDIncentive@usps.gov

Websites: https://ribbs.usps.gov/mobilebarcode/saturationhighdensity.htm

(Includes link to registration page)



